

STATE OF MICHIGAN
COURT OF APPEALS

SELF REALIZATION MEDITATION HEALING
CENTRE,

UNPUBLISHED
June 21, 2011

Petitioner-Appellant,

v

CHARTER TOWNSHIP OF BATH,

No. 297475
Tax Tribunal
LC No. 00-338925

Respondent-Appellee.

Before: WHITBECK, P.J., AND MARKEY AND K. F. KELLY, JJ.

PER CURIAM.

Petitioner, Self Realization Healing Centre, appeals as of right from the Tax Tribunal's final opinion and judgment denying Self Realization's claims to the charitable and religious exemptions from ad valorem property taxes. We affirm.

I. FACTS

The tax years at issue here are 2007, 2008, and 2009. The property at issue is one 2.89-acre parcel of improved real property. The property is located on Drumheller Road in Clinton County, in a rural residential area. There is a house on the property, and the remainder of the parcel is vacant land. The house was remodeled in 2003 to include several guest rooms, a centrally-located meditation room, office space, and classroom space. The vacant portion of the land is a hardwood forest with walking trails.

Self Realization is a nonprofit corporation organized under Michigan law in 2003. It is a non-stock corporation organized on a directorship basis. The incorporators were Betty Kronemeyer (president), Scott Rowe (vice president), and Jennifer Rowe (treasurer).

In 2003, during the approval process for the remodeling, the township and Kronemeyer, then the owner of the property, "determined that the facility [to be remodeled] would be approved pursuant to Section 5.02(E) of the Zoning Ordinance: Religious institutions, churches, convents, housing for religious personnel."

According to its articles of incorporation, Self Realization was organized for the following purposes:

[T]o provide support to the general public and to those who are suffering on any level, to assist those who seek inner knowledge and personal growth in the pursuit of peace, health and happiness through meditation, yoga and spiritual living. The corporation is organized exclusively for religious, charitable, scientific, literary and educational purposes

Overnight accommodations are offered in the house, which take the form of a bed and breakfast. Various fees are charged for overnight lodging. Meals are also offered for modest fees.

The “price schedule” is a brochure about Self Realization that also contains prices for retreats, “Pure Meditation” with (\$657) and without meals and lodging (\$420), and other services. The price schedule contains a date of 2004. Other service prices listed are a two-day refresher with (\$229) or without lodging (\$185), “Animal Healing” with (\$229) or without lodging (\$185), Easter celebration and silent retreat (\$141), Christmas celebration retreats (\$109), “New Year’s Gathering” (\$109), Hatha yoga classes (\$40 or \$50 for five class sessions), a “Meditation Foundation Class and Manage Your Energy Effectively” (\$20 a person in a group, or \$45 for a private class), and a spiritual topics discussion group lasting four weeks (\$20).

The price schedule also has an area labeled course registration form, and an area labeled “Accommodation Only Registration Form.” Below the prices is the following refund policy:

In the event of cancellation of courses or accommodation: with more than six weeks notice we can return all fees except 15%. With more than two weeks notice we can return the accommodation (less 15%) and meals only; with less than two weeks notice the meals only. After the commencement of a course, refunds are not given.

Self realization is part of a larger organization founded by a woman from the United Kingdom who is the spiritual head. The overall organization is styled the Self Realization Healing Association or SRHA. According to the price schedule, Self Realization “is run by a group of professional Healers and Progressive Counsellors who are committed to the highest ideal of unconditional love in all they do.” The price schedule states that “Pure Meditation is a central part of the life of the Centre and training is offered to a deep level under the guidance of [the founder,] Mata Yogananda Mahasaya Dharma.” Self Realization offers “[t]raining . . . through the Centres for those wishing to take Healing or Counselling skills into their lives or professions.”

Self Realization’s letterhead contains a symbol with a shining heart and, over the shining heart, letters spelling “aum” using Indian alphabetic symbols. Aum, or “om,” is a “sacred symbol used as a mantra in Hinduism and Buddhism.”¹ According to Scott Rose, “[i]ncorporated in the symbol used for Self Realization’s letterhead is a form of the Aum which is a sacred symbol in many Indian religions.” At the bottom of the letterhead is a reference to the

¹ *Random House Webster’s College Dictionary* (1997).

Mother Center, in the U.K., of the Self Realization Healing Association. Self Realization is part of a network of centers loosely affiliated with the Mother Center and one another.

Self Realization incorporates Eastern religious concepts and figures as well as Western ones. It reveres and seeks “to uphold the wisdom of the Masters, such as Jesus, Babaji, Buddha and the Saints.” Self Realization’s guiding principles include the following:

The spreading of the truth.

That there is no death, only organized life.

That scientific and spiritual knowledge lead to Self-Realization, peace and harmony.

To bring harmony to the mind, body and spirit of all living creatures.

To show that Love is the strongest energy force that there is, anywhere.

To show that all people and all religions will lead eventually to the one and same pathway, to Self-Realization and God-Realization.

That knowledge will dispel ignorance and fear and make us whole.

To provide pure thoughts to beget high minds.

To find our true selves through Pure Meditation.

To show how to rid ourselves of all negative states of the mind and body.

To spread unconditional love throughout the world. . . .

To prove that there are many Masters and many Mansions—for us all.

These same principles are in Self Realization’s bylaws.

On Sundays, Self Realization staff “do not drive or do financial transactions if at all possible,” and, “outside of teaching courses and care of retreatants/animals, including their meals, we keep to the quiet with focus on God.” Self Realization has a small number of staff who live in the centre and “two full-time employees who are minimally compensated in the form of [free] room and board.”

According to its president, Self Realization operates “completely on the fees charged for its services and donations.” “The fees charged are calculated to be just enough to cover the costs of the Centre.” “Centre employees freely discuss the availability of financial assistance with any client expressing need or interest.”

In one of its submissions to the IRS, Self Realization further described itself and its mission:

We understand that we are doing something here that is out of the mainstream. . . . Our roots are grounded in the *freedom to worship* as we choose. . . .

The Self Realization Meditation Healing Centres demonstrate a new way of spiritual living, outside of organized religion, based on our spiritually held beliefs, teaching spiritual truth—the perennial wisdom, and showing and helping others to live it fully. We feel there is a vast need and desire for such spiritual offering, and the number of Souls being helped by the Centre will grow quickly. The Centre is here for charitable purposes, not for our own personal gain or profit. This is the truth.

In February 2005, Self Realization filed its application to the IRS for an exemption from federal income taxes.

Self Realization explained to the IRS how it believes it is different from *for-profit* organizations.

Although the Centre does charge for services, as do other retreat centres, such as the one locally owned by the Catholic Church, *we have set prices in a manner so as to be self-supporting, and no more.* One of our spiritually held beliefs is to provide according to the need of each individual regardless of ability to pay. Charity status works in harmony with our serving all in need without regard to ability to pay by keeping fees as low as possible, and encouraging donations from the public to help others in need. Many people in need physically and spiritually are in a difficult financial situation. We always offer our services for lowered rates (including free of charge when needed), allowing each person to decide what is right and affordable for them. Therefore, many (even most) people pay much less than the listed fees. As an example, the full value of the 284 Spiritual Healings and Progressive Counsellings in 2005 is \$16,680. We received \$9,549, *leaving a difference of \$7,131. This holds true for all services offered.*^[2]

Self Realization also gave the following figures for the number of free services given in 2005. It had 159 daytime retreats/visitors, 142 calls for spiritual help or guidance, an uncounted but large number of persons “[j]oining in meditation,” 63 training sessions for others to run centers, 54 requests for daily prayer, 20 “[f]ree spiritual talks and groups,” and 11 “healing boosts.” The numbers for services given for a fee in 2005 were as follows: 288 appointments for “Natural Spiritual Healing and Progressive Counselling”; 223 “[a]ccommodations (number of overnights)”; and 132 students in the classes or courses mentioned above.

In the application submitted to the IRS, Self Realization answered a question about its sources of financial support. It indicated the following sources: “[fees for] Natural Spiritual

² Italics added; underlining in original.

Healing and Progressive Counseling,” and receipts from accommodations, teaching, donations, and “other miscellaneous (i.e. ceremonies).”

In October 2007, after the commencement of litigation before the Tax Tribunal, the IRS approved Self Realization’s application for 501(c)(3) status. Under the rubric of 501(c)(3) status, the IRS also classified Self Realization as a public charity under section 509(a)(2) of the internal revenue code. The effective date of the 501(c)(3) exemption was retroactive (nunc pro tunc) to July 2003.

After the township classified the property as taxable, Self Realization protested to the township’s March 2007 board of review. In the petition before the board of review, Self Realization stated that “[a]s a non-profit, religious organization, the Centre qualifies for exemption.” Although the petition to the board of review did not specifically claim a charitable exemption, it appears that by “non-profit,” Self Realization meant charitable. The board of review denied relief because of “insufficient supporting documentation.”

Self Realization then appealed to the Tax Tribunal. In her proposed opinion, the hearing referee found that Self Realization is a nonprofit corporation, organized under Michigan law, and exempt from federal income taxes as a 501(c)(3) organization. She also found that Self Realization

is part of a network loosely affiliated with other organizations under the same name. . . . Petitioner’s purpose is to provide a haven for any one in search of peace, health, and happiness. These objectives are generally met by Petitioner’s services such as classes on various topics, bed and breakfast accommodations, and access to the property’s grounds—conducive to meditative teachings.

Next, the referee reached conclusions of law. The hearing referee concluded that Self Realization’s property is not entitled to a charitable exemption, “because it is unclear under both the *Wexford Med Group v City of Cadillac*^[3] and *Retirement Homes of the Detroit Annual Conference of the United Methodist Church, Inc v Sylvan Twp*^[4] principles whether Petitioner can definitively qualify as a charitable institution.” Applying the definition of “charity” from *Retirement Homes*, and the list of factors from *Wexford Med Group* for determining whether an entity is charitable, the referee noted that federal tax exempt status under 501(c)(3) is not

³ *Wexford Med Group v City of Cadillac*, 474 Mich 192, 215; 713 NW2d 734 (2006).

⁴ *Retirement Homes of the Detroit Annual Conference of the United Methodist Church, Inc v Sylvan Twp*, 416 Mich 340, 348-349; 330 NW2d 682 (1982).

determinative, citing *American Concrete Institute v Mich State Tax Comm*,⁵ and stating that Michigan’s general property tax act,⁶ is “much more strict” than 501(c)(3).

The referee noted that a charitable institution can charge for its services so long as the charges are not more than needed for its maintenance. She then reasoned that the 15 percent cancellation fee charged by Self Realization “is not in line with charging the public no more than is necessary for Petitioner’s maintenance.” “Additionally, the fees that the Centre charges the public [for services] are arbitrary,” while “the fees charged to stay at the center [as a bed and breakfast] are consistent with fees charged by for-profit organizations.”

The referee then considered Self Realization’s argument that it is organized chiefly for charity: “Petitioner’s articles of incorporation state that the purpose is charitable. However, a long-standing principle of tax law still remains that substance over form will always prevail. So the Tribunal *must look to Petitioner’s overall nature . . .*.”⁷

The referee then considered Self Realization’s argument that its courses are educational. She reasoned that: (1) education is defined by *Mich United Conservation Clubs v Lansing Charter Twp*,⁸ as encompassing a general scheme of education that is provided by the state and supported by taxes; and (2) in *Wexford Med Group*, the Court found that the hospital at issue was charitable because it relieved people’s bodies of disease and suffering. The referee reasoned that *Wexford Med Group* was distinguishable

because unlike *Wexford*, the property in question here is not a hospital but a place to engage in natural spiritual healing through yoga and meditation. Unlike a hospital, yoga and meditation are courses that can be offered at places such as a local gymnasium or other athletic facilities, or organizations within the for-profit realm. While it is true that meditation and yoga help some relieve some of the pressures of daily life, it is just that—a form of recreation that is conducive to stress-relief.

Next, the referee reasoned that, unlike a hospital, Self Realization has very limited spaces for those wishing to stay on the premises. “Logistically, all rooms at the Centre could be filled and thus, limiting the [number] of individuals [who] can stay at the Centre and not an indefinite number of persons, as required by statute.”

The referee also concluded that Self Realization is not entitled to a religious exemption for the property. The referee distinguished *Institute in Basic Life Principles, Inc v Watersmeet*

⁵ *American Concrete Institute v Mich State Tax Comm*, 12 Mich App 595, 605-606; 163 NW2d 508 (1968).

⁶ MCL 211.1 *et seq.*

⁷ Emphasis added.

⁸ *Mich United Conservation Clubs v Lansing Charter Twp*, 423 Mich 661, 667-668; 378 NW2d 737 (1985).

*Twp (After Remand)*⁹ because the primary focus in that case was on “teaching of the organization’s religious beliefs.” The referee noted that Self Realization claimed that “it looks to several religions and . . . teaches the truths shared amongst these” religions. The referee then reasoned, however, that two purposes of Self Realization—(1) providing support to the general public and to those who are suffering on any level and to those who seek inner knowledge and personal growth in the pursuit of happiness, and (2) serving the public good by promoting the study and practice of the art and science of meditation and natural healing—“are inconsistent with the teachings of Christianity, regardless of the religious denomination.” Next, the referee reasoned that while Self Realization works to uphold the teachings of spiritual figures in history like Jesus and Buddha, “this is only in addition to its other teachings of meditations and yoga, and only if the individual already subscribes to those particular [religious] teachings.”

Self Realization filed exceptions to the proposed opinion and judgment. Self Realization argued that it satisfied the criteria for being charitable. Self Realization asserted that it did provide services that relieve minds and bodies from disease and suffering, and that the proposed opinion and judgment erred when it concluded that Self Realization does not offer services to an indefinite number of people. Self Realization also argued that it is a religious entity, that it is irrelevant whether its aims are consistent with Christianity, and that looking at consistency with Christianity would violate the establishment clause.¹⁰ Self Realization further argued that if genuine issues of fact exist, as stated in the proposed opinion, the case must be tried.

The township filed a response to Self Realization’s exceptions. It argued that even assuming arguendo that Self Realization is a charitable institution, its property is not exempt because the property is not used solely for the purpose for which Self Realization was incorporated. The township then argued that Self Realization is not a religious organization entitled to the religious exemption and that Self Realization’s use of its property is not predominantly for religious services, for the eleemosynary purpose for which it was incorporated, or for teaching the religious truths and beliefs of Self Realization.

Also, the township contended that the proposed opinion and judgment should not be construed to say that the exemption is dependent on an organization being Christian. Rather, noting that Self Realization stated that its teachings are applicable to every person including atheists, the proposed opinion and judgment should be construed to say essentially that Self Realization is not religious. In this regard, the township, noting that Self Realization’s articles of incorporation mention assisting others in the pursuit of happiness, argued that “to qualify as a religious organization the entity must relate to religion and not merely happy thoughts.” Citing *Ladies Literary Club v City of Grand Rapids*¹¹ and *Mich United Conservation Clubs*,¹² the

⁹ *Institute in Basic Life Principles, Inc v Watersmeet Twp (After Remand)*, 217 Mich App 7, 18; 551 NW2d 199 (1996).

¹⁰ US Const, amend I.

¹¹ *Ladies Literary Club v City of Grand Rapids*, 409 Mich 748, 753-755; 298 NW2d 422 (1980).

¹² *Mich United Conservation Clubs*, 423 Mich at 667-670.

township also argued that Self Realization's educational activities may be laudable, but they do not qualify as a program that will substantially reduce the government's educational burden.

The Tax Tribunal judge disagreed with Self Realization's exceptions and adopted the proposed opinion and judgment as the Tax Tribunal's final decision. The judge rejected Self Realization's argument that if there were questions of fact, the case should go to trial, because

[t]his is exactly what happened [A] small claims hearing was held, the evidence and testimony were considered, and a decision was rendered. The parties were well aware that a small claims hearing was to take place on the scheduled date and all evidence to support their respective claims should have been timely submitted prior to the hearing. Petitioner has failed to show good cause to justify time for additional discovery or the granting of a rehearing to further explore the issues already addressed and decided in the Proposed Opinion and Judgment.

Next, the Tax Tribunal judge concluded that Self Realization was not entitled to either exemption. With respect to the charitable exemption, she found that Self Realization had failed to carry its burden of proof by failing to present evidence of its expenses, in order to show that its charges were only such as would cover expenses. It also failed to show that the building and property were occupied solely for the purpose for which Self Realization was incorporated.

Further, the Tax Tribunal judge rejected Self Realization's contention that its teachings are "educational in nature." She rejected Self Realization's argument that Michigan State University offers yoga and meditation courses also, reasoning that Self Realization is in no way similarly situated to a university, and rejected Self Realization's contention that its courses substantially reduce the educational burden of government as required by *Mich United Conservation Clubs*. Furthermore, the judge found insufficient support for Self Realization's contention that the yoga and meditation relieve disease, suffering, or constraint. She also agreed with the hearing referee's distinguishing of the hospital at issue in *Wexford Med Group*, and that the overall nature of Self Realization was not charitable under the *Wexford Med Group* factors.

Next, the Tax Tribunal judge affirmed the hearing referee's finding that Self Realization is not entitled to a religious exemption. The judge stated, "Petitioner has not established that its predominant purpose is the teaching of religious beliefs," noting that Self Realization's principles would also apply to an atheist. The judge added: "Respondent has also pointed out that there is no requirement that persons visiting the Centre or staying at the bed and breakfast participate in any of the courses or activities Petitioner may offer relative to its 'teachings.'" For these reasons, the Tax Tribunal judge denied the desired exemptions to Self Realization. Self Realization now appeals.

II. THE AGENCY'S DECISION

A. STANDARD OF REVIEW

"[Judicial] review [of agency decisions] shall include, as a minimum, the determination whether such final decisions, findings, rulings and orders are authorized by law; and, in cases in which a hearing is required, whether the same are supported by competent, material and

substantial evidence on the whole record.”¹³ Courts must accept factual findings of the Tax Tribunal so long as they are supported by competent, material, and substantial evidence on the record.¹⁴ Substantial evidence is more than a scintilla, but may be substantially less than a preponderance.¹⁵ This Court will generally defer to the Tax Tribunal’s interpretation of a statute that it is charged with administering and enforcing.¹⁶ Tax exemptions are strictly construed in favor of the taxing unit.¹⁷

B. CHARITABLE EXEMPTIONS

Self Realization argues that the Tax Tribunal erred in denying its claim to the charitable exemption.

MCL 211.7o creates the ad valorem property tax exemption for charitable institutions.¹⁸ MCL 211.7o(1) provides: “Real or personal property owned and occupied by a nonprofit charitable institution while occupied by that nonprofit charitable institution solely for the purposes for which that nonprofit charitable institution was incorporated is exempt from the collection of taxes under this act.”

Being a nonprofit entity is, without more, insufficient.¹⁹ The entity must also be *charitable*, and this Court does not interpret a statute in a way that renders any statutory language surplusage or nugatory.²⁰

Whether an entity is a charitable institution is decided by the following definition:

Charity . . . is a gift, to be applied consistently with existing laws, for the benefit of an indefinite number of persons, either by bringing their minds or hearts under the influence of education or religion, by relieving their bodies from disease, suffering or constraint, by assisting them to establish themselves for life,

¹³ Const 1963, art 6, § 28 (emphasis added).

¹⁴ *Edward Rose Bldg Co v Independence Twp*, 436 Mich 620, 632; 462 NW2d 325 (1990).

¹⁵ *Jones & Laughlin Steel Corp v City of Warren*, 193 Mich App 348, 352-353; 483 NW2d 416 (1992).

¹⁶ *Twentieth Century Fox Home Entertainment, Inc v Dep’t of Treasury*, 270 Mich App 539, 541; 716 NW2d 598 (2006); *Schultz v Denton Twp*, 252 Mich App 528, 529; 652 NW2d 692 (2002); *Superior Hotels, LLC v Mackinaw Twp*, 282 Mich App 621, 629; 765 NW2d 31 (2009).

¹⁷ *DaimlerChrysler Corp v Dep’t of Treasury*, 268 Mich App 528, 534; 708 NW2d 461 (2005).

¹⁸ *Wexford*, 474 Mich at 203.

¹⁹ MCL 211.7o(1).

²⁰ *Snyder v Advantage Health Physicians*, 281 Mich App 493, 501; 760 NW2d 834, 839 (2008).

or by erecting or maintaining public buildings or works or otherwise lessening the burdens of government.^[21]

A gift is ““something given voluntarily without payment in return.””²²

Using the foregoing definition of charity, the Michigan Supreme Court enumerated certain factors that come into play when determining whether an entity is charitable, including:

- (1) A “charitable institution” must be a nonprofit institution.
- (2) A “charitable institution” is one that is organized chiefly, if not solely, for charity.
- (3) A “charitable institution” does not offer its charity on a discriminatory basis Rather, a “charitable institution” serves any person who needs the particular type of charity being offered.
- (4) A “charitable institution” brings people’s minds or hearts under the influence of education or religion; relieves people’s bodies from disease, suffering, or constraint; assists people to establish themselves for life; erects or maintains public buildings or works; or otherwise lessens the burdens of government.
- (5) A “charitable institution” can charge for its services as long as the charges are not more than what is needed for its successful maintenance.
- (6) A “charitable institution” need not meet any monetary threshold of charity . . . ; rather, if the overall nature of the institution is charitable, it is a “charitable institution” regardless of how much money it devotes to charitable activities in a particular year.^[23]

The Supreme Court emphasized the broad (or holistic) nature of the examination and cautioned that it is incorrect to focus on one particular facet or activity of the exemption claimant.²⁴ “[T]he inquiry pertains more to whether an institution could be considered a ‘charitable’ one, rather than whether the institution offers charity or performs charitable work.”²⁵

²¹ *Wexford Med Group*, 474 Mich at 214 (internal brackets, quotations marks, and citation omitted; emphasis added).

²² *Sands Appliance Servs, Inc v Wilson*, 463 Mich 231, 241; 615 NW2d 241 (2000), quoting *Random House Webster’s College Dictionary*.

²³ *Wexford Med Group*, 474 Mich at 215.

²⁴ *Id.* at 212.

²⁵ *Id.* at 212-213.

Applying the foregoing factors, we conclude that substantial evidence supports the Tax Tribunal's finding, that the overall nature of Self Realization is not charitable. There is no dispute regarding the competency or materiality of evidence.

With respect to the first of the six elements, there is substantial evidence that Self Realization is a nonprofit entity. Self Realization was incorporated as a nonprofit entity, and was granted an exemption from federal income taxes by the IRS as a 501(c)(3) entity.

With respect to the second of the six elements, Self Realization was organized for the following purposes:

[T]o provide support to the general public and to those who are suffering on any level, to assist those who seek inner knowledge and personal growth in the pursuit of peace, health and happiness through meditation, yoga and spiritual living. The corporation is organized exclusively for religious, charitable, scientific, literary and educational purposes

Thus, there were several purposes for which Self Realization was incorporated. Although charity is one of them, it is but one of a group of purposes distinguishable from one another. The other purposes are religious, scientific, literary, and educational. There are insufficient indicia that religion, charity, and education are the chief components of the incorporation purposes. The first sentence in the quoted-above passage suggests extremely broad purposes, indeed almost a purpose that is an all-encompassing purpose to help people with life in general.

These are, again, the broadest of terms in Self Realization's statement of purposes, which, if they constitute charity, would expand the definition of charity nearly beyond all bounds, in such a way that helping people with almost any mental activity would qualify as charity. Expanding the qualifier "organized chiefly for charity,"²⁶ to include such broad purposes, would be to expand that qualifier beyond recognition. The Legislature's intent must govern (and deference must be afforded to the Tax Tribunal given its expertise in this area²⁷), and there is no indication that the Legislature intended to expand the charitable exemption quite so broadly as Self Realization proposes.

With respect to the third factor, there is no evidence that Self Realization discriminates between different persons seeking its assistance.

Self Realization satisfies the fourth factor. Through classes and prayer, Self Realization helps to bring people's minds under the influence of education and religion. Self Realization has both educational courses and religious or spiritual courses. Also, through meditation and yoga, Self Realization tends to relieve people's bodies from suffering in the form of stress.

²⁶ MCL 211.7o(1).

²⁷ *Schultz*, 252 Mich App at 529.

Regarding the fifth factor, Self Realization charges for its services. However, the idea that its charges exceed what is required merely for its maintenance is not supported by substantial evidence.

The sixth prong, however, the catchall or holistic factor, is not satisfied. Overall, Self Realization is just as much a bed and breakfast, a yoga center, a place to walk in the woods, and a center for learning meditation, as a charity.

Finally, Self Realization fails the statutory factor that the property must be used “*solely* for the purposes for which that nonprofit charitable organization was incorporated”²⁸ Here, the property is used for other purposes, including walking through the woods and relaxing at a rural bed and breakfast. Accordingly, the Tax Tribunal’s decision to deny the charitable exemption to Self Realization is supported by substantial evidence.

C. RELIGIOUS EXEMPTION

Self Realization argues that the Tax Tribunal erred in denying it the religious exemption.

“*Houses of public worship*, with the land on which they stand . . . are exempt from taxation”²⁹ Houses of public worship “include[] buildings . . . owned by a religious society and *used predominantly for religious services or for the teaching of religious truths and beliefs* of the society.”³⁰ Thus, the language of the statute exempts the houses of public worship *and* the underlying land, though the definition of such houses requires that the house be used predominantly for religious services. The unambiguous language of the statute controls,³¹ though a quantum of use test does not exist.³² A two-prong test is used: whether the predominant purpose and practice include teaching religious truths and beliefs; and, whether the entire property was used in a manner consistent with the purposes of the owning institution.³³

As noted above, Self Realization was organized for the following purposes:

[T]o provide support to the general public and to those who are suffering on any level, to assist those who seek inner knowledge and personal growth in the pursuit of peace, health and happiness through meditation, yoga and spiritual

²⁸ MCL 211.7o(1) (emphasis added).

²⁹ MCL 211.7s (emphasis added).

³⁰ *Id.* (emphasis added).

³¹ *Willett v Waterford Charter Twp*, 271 Mich App 38, 45; 718 NW2d 386 (2006).

³² *Institute in Basic Life Principles, Inc v Watersmeet Twp (After Remand)*, 217 Mich App 7, 19; 551 NW2d 199 (1996). We decline the township’s invitation that we should disagree with the determination in *Institute in Basic Life Principles, Inc* that a quantum of use test is not required by the statute, MCL 211.7s.

³³ *Institute in Basic Life Principles, Inc*, 217 Mich App at 20.

living. The corporation is organized . . . for religious, charitable, scientific, literary and educational purposes

Thus, the articles of incorporation do not confirm that Self Realization's overall nature is religious. Rather, its overall nature includes other purposes, such as charitable, scientific, literary, and educational purposes. While we do not sit in judgment of Self Realization's teachings, we have reviewed the materials Self Realization submitted to the Tax Tribunal, and conclude that Self Realization's principles and teachings are as much philosophy as religion.

There are several purposes and statements in Self Realization's documentation. These include meditation, stress relief, using energy in a beneficial way, enjoying quiet time, and walking through the woods. While Self Realization does engage in teaching of some beliefs, it is at least equally engaged in teaching practices (yoga and meditation). Accordingly, there is substantial record evidence to support the Tax Tribunal's conclusion that Self Realization is not entitled to the religious exemption.

D. RESOLUTION OF QUESTIONS OF FACT

Self Realization argues that the Tax Tribunal erred by rendering its final judgment without allowing the parties to participate in an evidentiary hearing to resolve issues of fact.

After Self Realization appealed to the Tax Tribunal, the Tax Tribunal issued an order setting a July 13, 2009 hearing date. This order notified the parties that, on that date, "a SMALL CLAIMS DIVISION HEARING on this case will be held" Self Realization then filed a motion for a first adjournment and for immediate consideration. Self Realization stated that it intended to file a motion for summary disposition and a request for oral argument thereon. Self Realization explained that it wished to adjourn the hearing so that its motion for summary disposition would "be fully considered." The Tax Tribunal denied Self Realization's motion to adjourn, ruling that Self Realization failed to show good cause or extenuating circumstances. The Tax Tribunal then held a hearing on July 13, 2009, as scheduled.

Normally oral argument on a motion for summary disposition cannot occur unless the motion was filed and served at least 21 days before the oral argument.³⁴ However, in this case, the hearing referee allowed Self Realization to argue its motion for summary disposition at the July 13, 2009 small claims hearing. As the Tax Tribunal judge stated,

Upon conclusion of oral arguments relating to Petitioner's Motion for Summary Disposition, a small claims hearing was held, *the evidence and testimony were considered, and a decision was rendered*. The parties were well aware that a small claims hearing was to take place on the scheduled date and all evidence to

³⁴ MCR 2.116(G)(1)(a)(I).

support their respective claims should have been timely submitted prior to the hearing.^[35]

So, Self Realization's argument that it was not allowed to participate in an evidentiary hearing to resolve issues of fact lacks merit.

Self Realization's procedural due process argument also lacks merit. The May 26, 2009 notice of the small claims hearing gave Self Realization notice that the small claims hearing would occur on July 13, 2009. And at that hearing, Self Realization took advantage of the opportunity to present evidence, which the Tax Tribunal considered.

We affirm.

/s/ William C. Whitbeck

/s/ Jane E. Markey

/s/ Kirsten Frank Kelly

³⁵ Emphasis added.